

# Action Plan

**Grantee:** New York City, NY

**Grant:** B-11-MN-36-0103

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<b>Grant Amount:</b>	\$ 9,787,803.00
<b>Status:</b>	Reviewed and Approved
<b>Estimated PI/RL</b>	\$ 0.00
<b>Total Budget:</b>	\$ 9,787,803.00

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## Funding Sources

**No Funding Sources Found**

## Narratives

### Summary of Distribution and Uses of NSP Funds:

The Ely Avenue project was initially conceptualized in 2006 to build ten two-family homes in the Baychester neighborhood of the Bronx. The construction began on schedule and continued until the project was 75% built. The Ely Avenue project will be carried out under NSP Eligible Use B: Acquisition and Rehabilitation and CDBG Activity Sec. 570.201(a) Acquisition. A new developer, using a combination of \$1,500,000 of NSP3 funds, a private mortgage and equity would acquire the project and complete the remaining construction. Upon completion, all 20 units would be rented to low, moderate and middle-income individuals and families at, or below 120% of the area median income (AMI).

The Kelly Street 25% project consists of a 79 unit, five building portfolio located on Kelly Street in Longwood/Hunts Point neighborhood of the Bronx. The portfolio was initially acquired by a speculative investor and has since fallen into a severe state of physical distress. An affordable housing owner, WFH Advisors would purchase the portfolio of buildings using a combination of funds that includes \$3,200,000 in NSP3 funds. The new owner would rehabilitate the buildings and remedy the hazardous conditions. The rehabilitation of the properties would follow the City's uniform green building policy where applicable.

The Kelly Street LMMI project consists of a 79 unit, five building portfolio located on Kelly Street in Longwood/Hunts Point neighborhood of the Bronx. The portfolio was initially acquired by a speculative investor and has since fallen into a severe state of physical distress. An affordable housing owner, WFH Advisors would purchase the portfolio of buildings using a combination of funds that includes \$200,000 in NSP3 funds. The new owner would rehabilitate the buildings and remedy the hazardous conditions. The rehabilitation of the properties would follow the City's uniform green building policy where applicable.

The project located at 1520 Sedgwick Avenue is a 102 unit building in the Morris Heights neighborhood of the Bronx. This building was originally part of the Mitchell-Lama program, which provides affordable rental housing to moderate- and middle-income households. The building is also historically significant, in that it is widely recognized as a pivotal location in the birth of the global Hip Hop musical and cultural movement. Morris Heights is a neighborhood located in the western portion of the Bronx and is part of Bronx Community Board 5.

In the recent past, the property was acquired by a speculative real estate investor who quickly ran into financial trouble. As the owner's financial troubles mounted, building repairs and routine maintenance went undone. As a result of this neglect, the property began showing signs of rapid physical decline. Eventually, this owner defaulted on the mortgage and the lending institution began foreclosure proceedings. Physical conditions have continued to decline to the detriment of the building's tenants.

WFH Advisors will acquire the property through the foreclosure process using a variety of funding sources including NSP3. Once acquired, WFH Advisors will make the repairs necessary to return the buildings to safe, sanitary conditions. To ensure the long term affordability of the project, the new owner will enter into a regulatory agreement with HPD, which mandates that the building remain affordable to households earning 120% of AMI or less for minimum period of thirty years.

Administration activities will be carried out in the delivery of activities 1-3 in the areas of greatest need as identified in substantial amendment.

### How Fund Use Addresses Market Conditions:

The City focused on identifying projects city-wide that would contribute significantly to neighborhood stabilization. To date many New York City residents have experienced significant negative effects due to high levels of foreclosure in multifamily properties that were previously purchased by speculative interests or predatory equity.

To address this particular manifestation of the foreclosure crisis, three multifamily projects in financial and in some cases physical distress have been selected. Both the Sedgwick and Kelly Street projects are multifamily projects in foreclosure. The three multifamily projects selected will create rental units to benefit low income individuals and families. The areas in which the projects are located consist primarily of households at lower income levels for which a homeownership strategy may not be feasible. These projects would create affordable, safe



housing options for such households.

### Ensuring Continued Affordability:

Long-Term Affordability in a NSP-funded, multifamily rental, rehabilitation project is defined as rents affordable, as describe above, for a minimum term of thirty (30) years. Any homeownership projects would be affordable in accordance with 24 CFR 92.254.

### Definition of Blighted Structure:

Blighted Structure or "blight" is not actually defined in the context of state or local law. However, "substandard or insanitary area" is defined in General Municipal Law Section 502.4 (GML Article 15, the Urban Renewal Law) as equivalent to a blighted area as follows:

The term "substandard or insanitary area" shall mean and be interchangeable with a slum, blighted, deteriorated or deteriorating area, or an area which a blighting influence on the surrounding area.

### Definition of Affordable Rents:

For rental units, "affordable rents" are defined for NSP funded projects as rents (not including utilities) paid by tenants, not exceeding 30% of the prescribed income maximum, which shall range from 30% to 120% of AMI.

### Housing Rehabilitation/New Construction Standards:

New York City, acting through its Department of Housing Preservation and Development (HPD), has instituted a uniform green building policy to ensure the City's investments in affordable housing are going towards buildings that have deeper affordability through lowered utility bills and healthier living environments, while balancing maximum benefit to tenants and owners with low incremental upfront costs.

New construction projects and substantial rehabilitation projects receiving funding from HPD will be required to achieve certification with Enterprise Green Communities. The Green Communities criteria is the only comprehensive green building framework designed for affordable housing and provides proven, cost-effective standards for creating healthy and energy-efficient homes.

All rehabilitation projects, including moderate rehabs, will continue to follow the HPD's Standard Specifications Document which has been updated to integrate green elements.

It is important to note that where, if at all, the Enterprise Green Communities criteria or the HPD Standard Specifications Document contradict the HUD requirements for Housing Rehabilitation Standards, the HUD requirements shall be controlling.

HPD's Standard Specifications Document may be found at: <http://www.nyc.gov/html/hpd/html/architects/specifications.shtml>

Information regarding the Enterprise Green Communities certification can be found

at: [http://www.greencommunitiesonline.org/tools/certification/nyc\\_hpd\\_certification.asp](http://www.greencommunitiesonline.org/tools/certification/nyc_hpd_certification.asp)

### Vicinity Hiring:

All project developers will follow community development assistance thresholds per 24 CFR 135.3(a)(3)(ii). HPD will oversee that, when faced with a choice between a qualified contractor/developer/job applicant located in the Project Area and a qualified contractor/developer/job applicant from outside the vicinity area, ("vicinity" is defined for NSP 3 purposes as the target area or area of greatest need), developers and contractors will, to the maximum extent feasible, hire employees who resided in the vicinity of the NSP 3 projects. As HUD makes the vicinity hiring toolkit and other resources available, HPD will turn to such materials for guidance.

### Procedures for Preferences for Affordable Rental Dev.:

All activities carried out under the NSP3 grant will be for developing affordable rental units.

### Grantee Contact Information:

Evan Seiler  
NYC Dept. of Housing Preservation and Development  
100 Gold Street, 9-A3c  
New York, NY 10038  
p: 212.863.7511  
e: [seilere@hpd.nyc.gov](mailto:seilere@hpd.nyc.gov)

## Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
1	Ely Avenue	4	Ely Avenue LMMI
2	Kelly Street LH25	1	Kelly St LH25



3	Kelly Street LMMI	2	Kelly Street LMMI
4	1520 Sedgwick Ave	3	1520 Sedgwick Ave LLMI
5	Administration	5	Administration
9999	Restricted Balance		<i>No activities in this project</i>

## Activities



**Grantee Activity Number:** 1  
**Activity Title:** Kelly St LH25

**Activity Type:**

Acquisition - general

**Project Number:**

2

**Projected Start Date:**

08/15/2012

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Environmental Assessment:**

COMPLETED

**Activity Status:**

Under Way

**Project Title:**

Kelly Street LH25

**Projected End Date:**

03/11/2014

**Total Budget:**

\$ 3,200,000.00

**Other Funds Total:**

\$ 0.00

**Total Funds Amount:**

\$ 3,200,000.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	Total	Low	Mod	Low/Mod%
# Renter Households	16	16		100.00
# of Households	16	16		100.00

**Proposed Accomplishments**

	Total
# of Multifamily Units	16
# of Housing Units	16
# of Properties	5

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

NYCHPD

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed
NYCHPD	Unknown	\$ 2,446,825.00

**Location Description:**

Address information is listed below, but this development is located in the the Longwood/Hunts Point neighborhood of the Bronx. The relevant buildings are on a block that is well served by transit and proximate to a nearly 8 acre park. It is also 2 blocks away from a heavily used interstate highway (The Bruckner Expressway). Despite these amenities, the census tract has a NSP3 foreclosure score of 17, about the state minimum score of 16. It has 13.5% of mortgages estimated to be delinquent, and a vacancy rate that is around 7-8%. Lot information is as follows:

Address	Block	Lot	Census Tract
916 Kelly St. Bronx, NY 10459	02711	0006	8700
920 Kelly St. Bronx, NY 10459	02711	0007	8700
924 Kelly St. Bronx, NY 10459	02711	0008	8700
928 Kelly St. Bronx, NY 10459	02711	0010	8700
935 Kelly St. Bronx, NY 10459	02703	0018	8700



**Activity Description:**

The Kelly Street LH25 project consists of a 79 unit, five building portfolio located on Kelly Street in Longwood/Hunts Point neighborhood of the Bronx. The portfolio was initially acquired by a speculative investor and has since fallen into a severe state of physical distress. An affordable housing owner, WFH Advisors would purchase the portfolio of buildings using a combination of funds that includes \$3,200,000 in NSP3 funds. The new owner would rehabilitate the buildings and remedy the hazardous conditions. The rehabilitation of the properties would follow the City's uniform green building policy where applicable.

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**Grantee Activity Number:** 2  
**Activity Title:** Kelly Street LMMI

**Activity Type:**

Acquisition - general

**Activity Status:**

Under Way

**Project Number:**

3

**Project Title:**

Kelly Street LMMI

**Projected Start Date:**

03/11/2012

**Projected End Date:**

08/15/2014

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Total Budget:**

\$ 200,000.00

**Other Funds Total:**

\$ 0.00

**Environmental Assessment:**

COMPLETED

**Total Funds Amount:**

\$ 200,000.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	Total	Low	Mod	Low/Mod%
# Renter Households	6		6	100.00
# of Households	6		6	100.00

**Proposed Accomplishments**

	Total
# of Multifamily Units	6
# of Housing Units	6

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

NYCHPD

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed
NYCHPD	Unknown	\$ 200,000.00

**Location Description:**

This is the same set of buildings as in activity #1 (also know as project #2), "Kelly Street LH25". Please see that activity for more information on the location, and find the addresses repeated below. Please note that to avoid double counting in DRGR, we have including the property count (5) in the Kelly Street 25% activity, and left the property count blank in this activity. They are separate programs within the same buildings. The unit counts can be added as each activity is assisting distinct units.

Address	Block	Lot	Census Tract
916 Kelly St. Bronx, NY 10459	02711	0006	8700
920 Kelly St. Bronx, NY 10459	02711	0007	8700
924 Kelly St. Bronx, NY 10459	02711	0008	8700
928 Kelly St. Bronx, NY 10459	02711	0010	8700
935 Kelly St. Bronx, NY 10459	02703	0018	8700

**Activity Description:**

The Kelly Street LMMI project consists of a 79 unit, five building portfolio located on Kelly Street in Longwood/Hunts Point



neighborhood of the Bronx. The portfolio was initially acquired by a speculative investor and has since fallen into a severe state of physical distress. An affordable housing owner, WFH Advisors would purchase the portfolio of buildings using a combination of funds that includes \$200,000 in NSP3 funds. The new owner would rehabilitate the buildings and remedy the hazardous conditions. The rehabilitation of the properties would follow the City's uniform green building policy where applicable.

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**Grantee Activity Number:** 3  
**Activity Title:** 1520 Sedgwick Ave LLMI

**Activity Type:**

Acquisition - general

**Project Number:**

4

**Projected Start Date:**

06/15/2012

**National Objective:**

LLMI: Low, Moderate and Middle Income National Objective for NSP Only

**Environmental Assessment:**

UNDERWAY

**Activity Status:**

Under Way

**Project Title:**

1520 Sedgwick Ave

**Projected End Date:**

03/11/2014

**Total Budget:**

\$ 4,500,000.00

**Other Funds Total:**

\$ 0.00

**Total Funds Amount:**

\$ 4,500,000.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
<b># Renter Households</b>	102		102	100.00
<b># of Households</b>	102		102	100.00

**Proposed Accomplishments**

	<b>Total</b>
<b># of Multifamily Units</b>	102
<b># of Housing Units</b>	102
<b># of Properties</b>	1

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

NYCHPD

**Proposed budgets for organizations carrying out Activity:**

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed</b>
NYCHPD	Unknown	\$ 4,500,000.00

**Location Description:**

This development is in the Morris Heights neighborhood of the Bronx. This is a neighborhood just across the Harlem River from Manhattan on the West side of the Bronx, just north of where I-95 cuts across Manhattan from New Jersey over the George Washington Bridge before it cuts through the Bronx via the Cross Bronx Expressway en route to Connecticut. The Major Deegan expressway connects with I-95 in this area of the Bronx. The tract has a NSP3 Foreclosure score of 16, which is at the New York State threshold.

Address: 1520 Sedgwick Ave. Bronx, NY 10453      Block: 02880      Lot: 0017      Census Tract: 205000

**Activity Description:**

The project located at 1520 Sedgwick Avenue is a 102 unit building in the Morris Heights neighborhood of the Bronx. This building was originally part of the Mitchell-Lama program, which provides affordable rental housing to moderate- and middle-income households. The building is also historically significant, in that it is widely recognized as a pivotal location in the birth of



the global Hip Hop musical and cultural movement. Morris Heights is a neighborhood located in the western portion of the Bronx and is part of Bronx Community Board 5.

In the recent past, the property was acquired by a speculative real estate investor who quickly ran into financial trouble. As the owner's financial troubles mounted, building repairs and routine maintenance went undone. As a result of this neglect, the property began showing signs of rapid physical decline. Eventually, this owner defaulted on the mortgage and the lending institution began foreclosure proceedings. Physical conditions have continued to decline to the detriment of the building's tenants.

WFH Advisors will acquire the property through the foreclosure process using a variety of funding sources including NSP3. Once acquired, WFH Advisors will make the repairs necessary to return the buildings to safe, sanitary conditions. To ensure the long term affordability of the project, the new owner will enter into a regulatory agreement with HPD, which mandates that the building remain affordable to households earning 120% of AMI or less for minimum period of thirty years.

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**Grantee Activity Number: 4**  
**Activity Title: Ely Avenue LMMI**

**Activity Type:**

Acquisition - general

**Activity Status:**

Under Way

**Project Number:**

1

**Project Title:**

Ely Avenue

**Projected Start Date:**

06/15/2011

**Projected End Date:**

03/11/2013

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Total Budget:** \$ 1,500,000.00

**Other Funds Total:** \$ 0.00

**Environmental Assessment:**

UNDERWAY

**Total Funds Amount:** \$ 1,500,000.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

# Renter Households

Total	Low	Mod	Low/Mod%
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20		20	100.00
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# of Households

20		20	100.00
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**Proposed Accomplishments**

# of Multifamily Units

**Total**

20

# of Housing Units

20

# of Properties

10

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

NYCHPD

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

NYCHPD

**Organization Type**

Unknown

**Proposed**

\$ 1,500,000.00

**Location Description:**

Ely Ave sites are located in census tract 0462.02 in the Laconia neighborhood in the Northeastern section of the Bronx. This tract has an NSP3 need score of 19, whereas the statewide minimum is 16. This score is driven by an estimated mortgage delinquency rate of over 17%. The addresses are as follows:  
 2901-2919 (10 addresses) Ely Avenue, Bronx NY 10469.

**Activity Description:**

The Ely Avenue project was initially conceptualized in 2006 to build ten two-family homes in the Baychester neighborhood of the Bronx. The construction began on schedule and continued until the project was 75% built. The Ely Avenue project will be carried out under NSP Eligible Use B: Acquisition and Rehabilitation and CDBG Activity Sec. 570.201(a) Acquisition. A new developer, using a combination of \$1,500,000 of NSP3 funds, a private mortgage and equity would acquire the project and complete the remaining construction. Upon completion, all 20 units would be rented to low, moderate and middle-income individuals and families at, or below 120% of the area median income (AMI).





**Grantee Activity Number:** 5  
**Activity Title:** Administration

**Activity Type:**

Administration

**Project Number:**

5

**Projected Start Date:**

03/15/2011

**National Objective:**

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

**Environmental Assessment:**

EXEMPT

**Benefit Report Type:**

NA

**Activity Status:**

Under Way

**Project Title:**

Administration

**Projected End Date:**

03/15/2014

**Total Budget:**

\$ 387,803.00

**Other Funds Total:**

\$ 0.00

**Total Funds Amount:**

\$ 387,803.00

**Activity is being carried out by Grantee:**

Yes

**Activity is being carried out through:**

Grantee Employees

**Organization carrying out Activity:**

NYCHPD

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

NYCHPD

**Organization Type**

Unknown

**Proposed**

\$ 387,803.00

**Location Description:**

100 Gold St, NY NY 10038

**Activity Description:**

Administration activities will be carried out in the delivery of activities 1-4 in the areas of greatest need as identified in substantial amendment.



## Action Plan Comments:

Reviewer - Allison R. - Grantee has made the suggested changes from the 8/3/11 Action Plan. Direct Benefit data has been updated and corrected as well as the number of properties for each applicable activity.

## Action Plan History

Version	Date
B-11-MN-36-0103 AP#1	10/14/2011
B-11-MN-36-0103 AP#2	06/22/2012

